



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 12, 2000

Dennis Engh
Utah Clay Technology
3985 South 2000 East
Salt Lake City, Utah 84124

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Utah Clay Technology, White Mountain Project, S/001/052, Beaver County, Utah

Dear Mr. Engh:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial permit application fee received by the Division on May 3, 2000. The application for the proposed White Mountain Project, located in the N1/2 of the NW1/4 of Section 8, T29S, R13W, SLBM, Beaver County, Utah is complete and no additional information is required at this time. This small mining project is in the same vicinity as Utah Clay Technology's Blue and Julie White exploration project, file E/001/054. Your notice stated that previously mined areas will be included in this notice. Therefore, this notice will supersede the exploration notice and that file (E/001/054) will be closed and retired.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. Small Mining Notices require a \$100.00 annual fee. The permit fee was paid for the 1999 fiscal year for the Blue and Julie White exploration project; therefore, that fee payment will be transferred to this small mining record. It is policy that any payment received within 45 days of our next fiscal year will be credited toward that year. Because we are now within that 45 day period, your check submitted with this notice will be credited towards your 2000 fiscal year payment. If, in error, you receive another billing statement in July for this project, please contact Joelle Burns at (801) 538-5291 so she can make the correction.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

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Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Approval of mineral exploration or mining operations by the Division of Oil, Gas and Mining does not constitute approval to commence operations upon federal lands managed by the Bureau of Land Management (BLM). **Before conducting mining operations on these lands, the operator must provide written notification, meet bonding requirements, and obtain written approval from the BLM.** Please contact Ed Ginouves of the Cedar City Field Office regarding the BLM's requirements.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,



Tom Munson
Senior Reclamation Specialist

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Enclosure
cc: Ed Ginouves, BLM, Cedar City FO
File E/001/054
Tracking File
S01-52-noi